

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-05 SSO-00 ARAE-00 FDRE-00 NSC-07

NSCE-00 SS-20 PRS-01 TRSE-00 EB-12 OMB-01 ABF-01

SWF-02 AGR-20 IO-14 IGA-02 FEAE-00 COME-00 INRE-00

CIAE-00 INR-11 NSAE-00 RSC-01 DRC-01 /119 W

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FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC IMMEDIATE 8223

UNCLAS TEGUCIGALPA 4224

STATE PASS AID/PHA/FDRC

FOR KLEINE FROM KIMBALL

E.O. 11652: N/A

TAGS: SWEL, HO

SUBJECT: HONDURAS DISASTER REPORT TO THE PRESIDENT

1. FIFTY PAGE DOCUMENT CARRIED BY GOH TEAM TO IMF/IBRD SESSIONS  
PROJECTS 1975 BALANCE OF PAYMENTS DEFICIT AT L. 201.8 MILLION,  
I.E., ROUGHLY \$100 MILLION, RATHER THAN \$65 MILLION SHOWN IN  
YOUR DRAFT REPORT. RECOMMEND CHANGE SECTION II D SECOND LINE  
IN FIRST PARAGRAPH AND LAST LINE IN LAST PARAGRAPH.

2. INCREASE IN ESTIMATED 1975 IMPORTS ACCOUNTS FOR ABOVE  
CHANGE, BUT THIS HIGHER LEVEL USED IN PROJECTION EXPLICITLY  
EXCLUDES EFFECTS ANY POST-HURRICANE IMPORT RESTRICTIONS.  
SINCE PREVIOUS ESTIMATE TOOK INTO ACCOUNT "INTERNAL MEASURES"  
(READ IMPORT RESTRICTIONS) WE SURMISE \$35 MILLION DIFFERENCE  
REPRESENTS REDUCTION IN NON-PRIORITY IMPORTS WHICH PLANNING  
COUNCIL INTENDED GOH TO EFFECT.

3. REPORT ALSO SAYS FUEL IMPORT COSTS INCREASED \$36 MILLION  
FROM 1973 TO 1974, WITH FURTHER \$9 MILLION INCREASE EXPECTED IN  
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1975. NEITHER FIGURE NET OUT EXPORT OF REFINERY BY-PRODUCTS

WHICH ARE ABOUT 20 PERCENT OF IMPORT VALUE. FUEL AS PERCENT OF TOTAL IMPORTS GIVEN FOR 1973 AS 10 PERCENT, FOR 1974 AS 17 PERCENT AND FOR 1975 AS 18 PERCENT. RECOMMEND CHANGING DRAFT REPORT LAST PART OF LAST SENTENCE IN PARA. 2 OF SECTION II D TO READ "... WHICH ALONE JUMPED THE IMPORT BILL BY OVER \$30 MILLION THIS YEAR (FROM 10 TO 17 PERCENT OF IMPORTS)."

4. RE BUDGETARY EFFECTS, REPORT SAYS REVENUE LOSS WILL BE \$11 MILLION (8 PERCENT) IN 1974 AND \$39 MILLION (26 PERCENT) IN 1975. THIS GIVES ADDITIONAL FISCAL GAP OF \$8 MILLION IN 1974 AND EITHER \$60, \$43 OR \$35 MILLION IN 1975, DEPENDING ON LEVEL OF TAX EFFORT.  
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## Message Attributes

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